

I would like to first thank the White House Committee On Aging and Senator Larry Craig who have made it possible for us to comment on this important topic. I also commend those on the panel who presented before me. They touched on very important issues including healthcare for the aged, senior centers, long-term care, and more.

Seniors and 'soon-to-be seniors' have basic financial needs. However, since seniors may be on a small fixed income, money-saving financial tools become exponentially more important. You may have heard about a person's golden years. However, if a senior reaches those 'golden years' and his or her personal finances are not in order, or more plainly stated, if they do not have enough money, then those years may not be so golden.

I believe seniors deserve the following:

1. Independence
2. Dignity
3. Access to low cost financial alternatives to help them achieve both independence and dignity.

Before starting, may I acquaint this committee with what a credit union is and thank those who have supported our cause to this point? To illustrate, I will share an example. When farmers in this area are not able to afford a certain piece of equipment they may join together as a small or large group. Then as a cooperative group they pool their money and buy the piece of equipment. The equipment may be something they would not use much, such as a spraying truck. However, when the time comes, it does not matter whether they are a large or small farmer, they need to use the equipment.

A credit union is simply a financial cooperative. As part of this financial cooperative, people who have financial means, I shall call them the "haves" may deposit money into the credit union. Others who may need to borrow that money, called the "have-nots", can do so. The "haves" enjoy higher deposit rates while the "have-nots" enjoy lower loan rates and overall fees. Credit unions exist to help those who are of modest means as well as those who are financially stable.

Why is credit union access important to seniors? You may or may not be aware but payday lenders or title loan companies may lend money to seniors or others, charging up to 500% Annual Percentage Rate (APR) or more. Some financial institutions may charge 30% APR. Still other financial institutions may charge lower loan rates but on the other hand may also charge substantial fees.

Recently we completed some research comparing a well-known bank with our credit union. Loan rates and various fees were carefully reviewed, side-by-side. We found that a person with an average-sized loan may expect to pay about \$400 more for increased loan rates and fees with the bank than with our credit union. Why would I bring this up? Seniors are often living on a limited, fixed income. Four hundred dollars per year could mean the difference between obtaining a needed doctor's office visit or being able to afford enough green vegetables to better provide a balanced diet. The lower the income, the more significant it is that seniors have access to low-cost financial services.

There is a system currently in place that could help many such seniors gain access to these financial services. Credit unions offer these low-cost financial services. However there are two things impeding progress in this regard:

1. National banks are trying to squash credit unions out of existence.
2. Seniors need to be educated more so they know credit union services exist.

People may not know that one of the bank's "Super Priorities" is to squash credit unions out of existence. Banks cry foul regarding credit unions' tax preferred treatment. However, upon inviting banks to switch to a credit union, they instead prefer to complain bitterly.

What could happen if credit unions did not exist? Banks could charge fees as high as the market would support. This would probably hurt seniors dramatically. In some rural areas, banks have totally pulled out, leaving citizens without financial services. In some such rural locations, credit unions have committed resources and filled the gap by providing financial services to those communities.

I call upon individuals as well as local, state, and national organizations to better understand credit unions and the valuable services they provide. I suggest that those who may be in a position of influence either with persons or policy, to support credit unions as not-for-profit financial cooperatives. For as credit unions are fostered, more financial services and support will be simultaneously provided for seniors. As credit union membership is made available to more seniors, they will be better able to become financially independent and experience the associated dignity they deserve.

Sincerely,

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